

Dear President Trump:

The U.S. Hardwood Industry congratulates you on your victory in November and we wish to extend our support as the leader of our great country. We look forward to working with you to strengthen and support businesses in every U.S. sector.

The wood products industry in the U.S. is an important contributor to the U.S. economy, accounting for approximately 4 percent of the total U.S. manufacturing GDP; wood products companies are among the top ten manufacturing sector employers in 47 states, producing \$210 billion in products annually. The industry employs nearly 900,000 people; more than the automotive, chemicals and plastics industries. And most of them are in rural areas where employment opportunities are limited.

As with many industries with such significant economic impact, the U.S. Hardwood industry's relations with our trading partners are complicated. For those of us that are exporters, the viability of our business depends significantly on our ability to ship our goods and products, including logs and sawn timber, to regions around the world, including Asia, Latin America, Europe and Canada. For those of us that produce value added products, including engineered flooring and plywood, we face significant challenges from the influx of products from countries, particularly China, that do not abide by international rules regarding free and fair trade. As an industry we also support federal efforts to prevent the importation of illegally harvested timber that competes unfairly with U.S. grown fiber.

Hardwood exporting companies are heavily reliant on exports for their livelihood. The U.S. currently enjoys a trade surplus of \$1.3 billion in hardwood lumber, up from \$1.1 billion in 2015. Approximately 40% of all hardwood lumber production and nearly 60% of the highest value-added grades of hardwood are now exported, totaling \$2.4 billion in 2016. It is vital that markets remain open for these businesses and the men and women they employ.

While U.S. Hardwood exporters are dependent on retaining open markets for their products, there are sectors of the industry that are experiencing harm from illegal and unfair trade practices being implemented, particularly by China. The Hardwood plywood, veneer and engineered flooring sectors are the most impacted. In 2015, China sent \$1.1 billion worth of hardwood and decorative plywood to the U.S., taking nearly 50% of the U.S. market, impacting over 8000 jobs and \$5 billion in payroll. U.S. manufacturers are not intimidated by competition from the Chinese on a level playing field, however competing with products that are being unfairly subsidized by the government can be devastating. For companies hit hard by imports it is essential that importing countries be held to the highest legal standards and comply with established trade agreements and laws.

Clearly we realize that balancing trade policy to address the wide variety of needs not only within the U.S. Hardwood industry, but also U.S. industry as a whole, is a difficult task. However, we encourage your Administration to view trade not as a "one size fits all" issue, but rather work within the context of new and existing trade agreements to employ policies that

support the various sectors and their needs in a fair and legal manner. We would point to the North American Free Trade Agreement (NAFTA) as one that has worked well for the Hardwood industry over the years. NAFTA has welcomed our exported goods while adhering to import rules that prevent unfair competition for the value added side of the industry.

The below companies, and our Washington representatives at the Hardwood Federation, stand ready to work with you and your Administration to develop trade policies that address the multiple needs of our industry to retain our strong exporting presence **AND** protect those businesses that are being threatened by unfair trade practices from abroad.

Sincerely,